

RECEIVED AND FILED
IN THE UNITED STATES DISTRICT COURT (COURT OF BOX)
FOR THE DISTRICT OF PUERTO RICO

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HECTOR HOYOS

Plaintiff

v.

HOLEDIGGER FILMS, INC.

Defendants

CLERK'S OFFICE
CIVIL CASE IN COURT NO. 04-14000
SAN JUAN

RE: COLLECTION OF MONIES

COMPLAINT

TO THE HONORABLE COURT:

COMES NOW plaintiff, by and through the undersigned counsel, and respectfully alleges, states and requests, as follows:

I. JURISDICTION

1. This Honorable Court has jurisdiction over the parties and the subject matter of this litigation pursuant to 28 U.S.C. Section 1332, because all the parties on either part of the controversy are of diverse citizenship and the amount in controversy exceeds the sum of Seventy Five Thousand Dollars (\$75,000.00), exclusive of interest and costs.

2. The facts set forth in this complaint are actionable under the Laws of the Commonwealth of Puerto Rico, Puerto Rico Civil Code

(PRCC), 31 L.P.R.A. §§2994, 3018, 3025, 3061, 3174, 3177, 4511, 4571.

II. THE PARTIES

3. The plaintiff is HECTOR HOYOS, a resident of, and who has his domicile in, the Commonwealth of Puerto Rico.

4. The defendant is HOLEDIGGER FILMS, INC.. This defendant is incorporated in the State of New York, USA, and has its principal place of business in 535 West 23rd Street, Suite S3N, New York, NY 10011.

5. At the times relevant herein, defendant HOLEDIGGER FILMS, INC. was engaged in the business of film making.

III. FACTUAL ALLEGATIONS

6. On October 17, 2003, Mr. David Newman, Vice-President, and acting on behalf, of HOLEDIGGER FILMS, INC., subscribed a Promissory Note to the order of HECTOR HOYOS for the principal sum of One Hundred Thousand Dollars (\$100,000.00). The entire principal, together with interest at a rate of eight percent (8%) per annum, was to be repaid on November 30, 2003. Copy of the note is attached as Exhibit 1.

7. HOLEDIGGER FILMS, INC. acquiesced to all the Promissory Note's clauses, therefore it is bound by the same.

8. HOLEDIGGER FILMS, INC. defaulted on the payment of the principal amount as agreed on the Promissory Note. This has left an unpaid balance, including interest as of April 30, 2004, in the

amount of One Hundred Three Thousand Three Hundred Thirty Three Dollars and Thirty Cents (\$103,333.30), which will continue to accrue interest at the rate of \$666.66 per month, or \$21.92 per day, until its full payment.

9. The abovementioned amount is due and payable, not having been satisfied by HOLEDIGGER FILMS, INC., or any agent on its behalf, notwithstanding repeated collection efforts performed by Plaintiff.

10. Plaintiff is also entitled to recover for all costs and expenses to be incurred in this lawsuit, as well as a reasonable amount for attorneys' fees, in the amount of no less than \$15,000.00.

IV. PRAYER FOR RELIEF

WHEREFORE, it is respectfully requested that Judgment be entered by this Honorable Court in favor of plaintiff and severally against the defendant:

(a) Granting plaintiff all the sums requested in the complaint;

(b) Imposing upon the defendant the payment of all costs and expenses to be incurred in this lawsuit;

(c) Granting plaintiff any other relief that they may be entitled to as a matter of law; and,

PROMISSORY NOTE

\$100,000

October 17, 2003

FOR VALUE RECEIVED, the undersigned, Holedigger Films, of 535 West 23rd Street, Suite S-3N, New York, NY 10011 promises to pay to the order of Hector Hoyos, at 252 Ponce de Leon Avenue, Citibank Center, 16th Floor, San Juan, PR 00918 or such other place as the holder may designate in writing to the undersigned, the principal sum of \$100,000.00 (One Hundred Thousand Dollars), together with interest thereon from date hereof until paid, at the rate of 8% (Eight Percent) per annum. The entire principal amount shall be repaid on November 30, 2003.

Payments shall be applied first to accrued interest and the balance to principal.

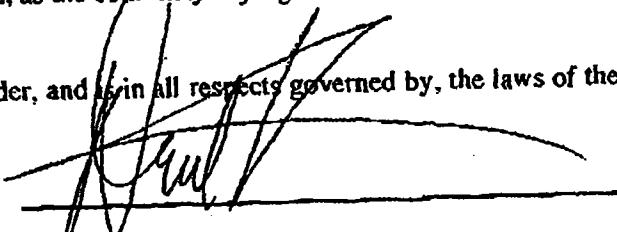
All or any part of the aforesaid principal sum may be prepaid at any time and from time to time without penalty.

In the event of any default by the undersigned in the payment of principal or interest when due or in the event of the suspension of actual business, insolvency, assignment for the benefit of creditors, adjudication of bankruptcy, or appointment of a receiver, of or against the undersigned, the unpaid balance of the principal sum of this promissory note shall at the option of the holder become immediately due and payable.

The maker and all other persons who may become liable for the payment hereof severally waive demand, presentment, protest, notice of dishonor or nonpayment, notice of protest, and any and all lack of diligence or delays in collection which may occur, and expressly consent and agree to each and any extension or postponement of time of payment hereof from time to time at or after maturity or other indulgence, and waive all notice thereof.

In case suit or action is instituted to collect this note, or any portion hereof, the maker promises to pay each additional sum, as the court may adjudge reasonable, attorneys' fees in said proceedings.

This note is made and executed under, and is in all respects governed by, the laws of the State of New York.



David Newman, Vice President
Holedigger Films, Inc.